

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re

Chapter 11

Mallett Inc.,

Case No. 21-11619

Debtor.
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LOCAL RULE STATEMENT

Graham Shircore, as Director of Mallett Inc. (the “Debtor”) deposes and says
under penalty of perjury, as follows:

1. I am submitting this affidavit pursuant to the local rules of this Court in support of the Debtor’s Chapter 11 filing.
2. On September 15, 2021, the Debtor filed a Chapter 11 petition under Title 11 of the United States Code, 11 U.S.C. 101 et seq. (the “Bankruptcy Code”).
3. The Debtor is an antique dealer whose business declined. The Debtor operated a store 929 Madison Avenue, New York, New York (“Premises”). In 2016, the Debtor closed the store and subleased the Premises to Stella McCartney, a fashion retailer (the “Subtenant”).
4. During the pandemic, the Subtenant stopped paying rent to the Debtor and the Debtor, in turn, could not pay rent to its landlord, 929 Madison Avenue LLC (“Landlord”).
5. The Debtor sued the Subtenant and the Landlord sued the Debtor.
6. The Supreme Court ordered mediation. The Debtor settled with the Subtenant, but not with the Landlord.

7. Once the settlement with the Subtenant was complete, on or about August 31, 2021, the Debtor surrendered possession and the keys to the Premises to the Landlord. The Landlord returned the keys and is attempting to refuse accept turnover.

8. The Landlord was recently awarded judgement against the Debtor for \$1,281,068 for overdue rent, but formal judgment has not been entered.

9. In addition, to the Landlord's claim, the Debtor owes affiliated companies approximately \$11 million, and a relatively small amount of other vendor debt.

10. The Debtors assets are cash in the amount of \$3,500,000, most of which constitutes the Subtenant settlement proceeds, a \$100,000 security deposit held by the Landlord, and the potential right to recover New York City real property taxes paid in advance.

11. The antique business has been wound up and the Debtor filed this case to liquidate according to the priority scheme mandated by the Bankruptcy Code.

12. The Debtor anticipates no post-bankruptcy operating income or expenses.

Dated: New York, New York
September 15, 2021

s/Graham Shircore, as Director